



General Assembly

February Session, 2008

Raised Bill No. 5150

LCO No. 962

00962_____HSG

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

***AN ACT CONCERNING STATE ASSISTANCE FOR THE
PRESERVATION OF HOUSING ASSETS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-252 of the general statutes is amended by adding
2 subsection (q) as follows (*Effective July 1, 2008*):

3 (NEW) (q) (1) As used in this subsection, (A) "state assistance"
4 means a payment by the state of actual debt service, comprised of
5 principal, interest, interest rate swap payments, liquidity fees, letter of
6 credit fees, trustee fees and other similar bond-related expenses; and
7 (B) "state housing portfolio" means the housing portfolio that was
8 transferred from the Department of Economic and Community
9 Development to the Connecticut Housing Finance Authority pursuant
10 to section 8-37uu of the general statutes.

11 (2) On and after July 1, 2008, the State Bond Commission may
12 authorize the State Treasurer and the Secretary of the Office of Policy
13 and Management to enter into a contract or contracts to provide state
14 assistance on bonds issued by the authority. Upon authorization, the
15 state, acting by and through the Secretary of the Office of Policy and

16 Management and the State Treasurer, shall enter into a contract or
17 contracts with the authority that provide that the state shall pay to the
18 authority state assistance on bonds issued by the authority to provide
19 funds for mortgage loans for multi-family rental housing units in the
20 state housing portfolio. Such bonds shall be deemed to be issued for
21 the purposes of this section and used to provide additional funds for
22 reasonable repair, deferred maintenance and rehabilitation costs and
23 replacement reserves and costs of issuance in an aggregate principal
24 amount not to exceed four hundred forty million dollars. Any
25 provision of a contract entered into providing for payments equal to
26 annual debt service shall constitute a full-faith and credit obligation of
27 the state and as part of the contract with the holders of any bonds or
28 refunding bonds, as applicable, appropriation of all amounts necessary
29 to meet punctually the terms of such contract is hereby made and the
30 Treasurer shall pay such amounts as the same become due. The
31 authority may pledge such state assistance as security for the payment
32 of such bonds or refunding bonds issued by said authority for such
33 special needs purposes. Any bonds issued under this section, and at
34 any time outstanding, may at any time or from time to time be
35 refunded, in whole or in part, by the authority by the issuance of its
36 refunding bonds in such amounts as the authority may deem
37 necessary or appropriate but not exceeding an amount sufficient to
38 refund the principal amount of the bonds to be so refunded, any
39 unpaid interest thereon, and any premiums, commissions and costs of
40 issuance necessary to be paid in connection therewith. The state, acting
41 by and through the Office of Policy and Management and the
42 Treasurer, and without further authorization, may execute an
43 amendment to any contract providing state assistance as required in
44 connection with such refunding bonds.

45 (3) Notwithstanding any contract entered into by the state with the
46 authority for state assistance, the bonds or refunding bonds to which
47 such state assistance applies shall not constitute bonds or notes issued
48 or guaranteed by the state within the meaning of section 3-21 of the
49 general statutes.

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| This act shall take effect as follows and shall amend the following sections: |
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| Section 1 | <i>July 1, 2008</i> | 8-252 |
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Statement of Purpose:

To provide state assistance on bonds issued by the Connecticut Housing Finance Authority to preserve multi-family residential housing units in the state housing portfolio.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]